



PROGRAM UPDATE

Office of Worker and Community Transition

United States Department of Energy

January - March 1999

NATIONAL STAKEHOLDER WORKSHOP PLANNED FOR MAY 1999

The Office of Worker and Community Transition plans to hold its seventh National Stakeholder's Workshop on May 27-28, 1999 at the Chicago Marriott Downtown in Chicago, Illinois. This meeting will address the progress made on the challenges identified at the last stakeholder's meeting in Alexandria, Virginia on June 17-18, 1998. The Workshop will provide a forum for discussion of the full range of issues involving the Department's contractor work forces. We will seek answers to the challenges of implementing the Department's post Cold-War mission, work force planning and restructuring, early site closure, reuse and conversion, worker safety during cleanup, and the labor policy on privatization. The format of the meeting will focus on best practices and lessons learned in the process of obtaining an effective and efficient work force. For more information on the Workshop, access our web site at www.wct.doe.gov.

WORK FORCE RESTRUCTURING ACTIONS

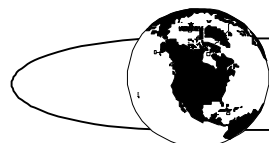
VOLUNTARY SEPARATIONS ANNOUNCED AT ROCKY FLATS

On January 28, 1999, a voluntary separation incentive program at Rocky Flats in Denver, Colorado closed as part of a strategy to mitigate a previously announced reduction of 200 positions at the site. A total of 79 employees have been accepted for participation. The site anticipates providing involuntary separation notices as necessary to achieve the total reduction of 200 positions during the year. Many of these workers are expected to be subsequently employed by subcontractors doing business at the site.

VOLUNTARY REDUCTION PROGRAM OFFERED AT PORTSMOUTH, OHIO AND PADUCAH, KENTUCKY

On February 16, 1999, the United States Enrichment Corporation (USEC) initiated the second phase of a reduction in force program for employees at its Paducah, Kentucky and Portsmouth, Ohio production plants in order to increase efficiencies in its uranium enrichment business.

Prior to USEC's privatization in July, 1998, USEC identified a need to reduce the work force in order to operate its plants more efficiently and better meet foreign competition. Planned



VISIT US AT OUR WEB ADDRESS AT:
[HTTP://WWW.WCT.DOE.GOV](http://www.wct.doe.gov)



work force reductions for 1998 and 1999 were announced in August, 1998 and were coordinated with the Department of Energy (DOE).

The first phase of this reduction was completed in November, 1998 and the reduction targets were met totally by 259 volunteers from the two plants combined. The second reduction in force, also a voluntary program, will be completed this summer and will involve approximately 250 employees.

To date, 134 voluntary separation applications have been approved at the two sites, with an additional potential 50 requests pending. As a result, it is anticipated that remaining reductions through July 1, 2000 at these sites under the Treasury agreement will require few, if any involuntary separations. Those accepted for voluntary separation will terminate on July 1, 1999 with the exception of up to 40 workers who have requested that they be allowed to separate prior to that date.

An additional 57 positions are planned for reduction in September, completing reductions under the agreement between USEC and the Treasury Department. The enhanced voluntary separation program will be consistent with the benefits agreed upon in the memorandum of agreement (MOA) between USEC and this Department, which compares favorably to benefits provided at other defense nuclear facilities.

To minimize the impact, DOE will provide enhanced benefits for the affected workers using funds that USEC previously paid to DOE for this purpose. This reduction in force affects both salaried employees and bargaining unit personnel represented by the Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE) and the United Plant Guard Workers of America (UPGWA).

ANNUAL REPORT ON CONTRACTOR WORK FORCE RESTRUCTURING

On March 4, 1999, the Secretary of Energy transmitted to the U.S. Congress the *Annual Report on Contractor Work Force Restructuring for FY 1998*. The Report fulfills the requirement of section 3161 of the National Defense Authorization Act for Fiscal Year 1993 to annually update the Congress on work force restructuring and community transition activities. You can obtain a copy of the Report by accessing our web site at www.wct.doe.gov.

HANFORD REPROGRAMMING APPROVED

The Congress has approved a reprogramming request of approximately \$50 million for Hanford which was necessary to meet high priority environmental cleanup milestones. Failure to have this reprogramming approved could have impacted up to 1,000 workers at the site. The Office of Worker and Community Transition worked with the Richland Operations Office to develop contingency plans that would have mitigated impacts on workers and encouraged workers to return when funding became available if the reprogramming has not been approved.



INVOLUNTARY SEPARATIONS NOTICES AT HANFORD

On March 29, 1999, Fluor Daniel Hanford notified the Richland Operations Office of preparations to issue up to 227 notices of temporary separation to non-bargaining employees, if the reprogramming action currently before Congress has not been approved by that date. An additional up to 249 involuntary separation notices would be provided to bargaining unit workers by April 1. This notification schedule would allow for worker separation on April 15, which the contractors have identified as the date by which they need to act to avoid serious work performance and employment impacts. If the reprogramming is approved prior to April 15, no separations would occur under this contingency plan. The Richland Operations Office is consulting with this Office as well as Congressional Affairs before a final decision is made on issuing notices.

These separations are required as a result of project completion, skill mix adjustments, budget reassignment and efficiency initiatives and are not related to the TWRS reprogramming action. The Richland Operations Office has advised this Office that an estimated 200 separations will be required over FY 1999 due to these factors. The contractor has briefed this information to the Congressional delegation.

COMMUNITY TRANSITION ACTIVITIES

VISIT TO SANTA FE, NEW MEXICO TO DISCUSS ECONOMIC DEVELOPMENT ISSUES IN REGION

On March 16-18, 1999, a Leadership Conference in Economic Development was held in Santa Fe, New Mexico. The forum served as an opportunity to discuss community transition issues with several local communities who have an interest in forming community reuse organizations, including Pantex, Carlsbad and the City of Albuquerque. Separate discussions were held with community leaders including the Mayor of Santa Fe, the Mayor of Espanola, the Rio Arriba County Commissioner, the Economic Development Director, State of New Mexico, as well as Los Alamos National Laboratory management.

COMMUNITY TRANSITION FUNDING FOR THE MIAMISBURG MOUND COMMUNITY IMPROVEMENT CORPORATION

On March 22, 1999, the Secretary of Energy participated in a ceremony at the Mound Plant in Miamisburg, Ohio by presenting a check for the first \$5 million of a \$15 million, three year, commitment for community transition assistance to the Miamisburg Mound Community Improvement Corporation (MMCIC). The grant was matched by state, local and private funding, to make the capital improvements necessary to make Mound a marketable commercial entity. The event marked the transfer of title to the first parcel of Mound property to the MMCIC. The parcel is about 14 acres of the 306 acre site, includes two buildings representing nearly 33,000 square feet of space under lease to private businesses.



U.S. Congressman Tony Hall and Miamisburg Mayor Dick Church also participated in the event along with other state and local officials. The transfer was facilitated by the Hall Amendment, legislation that protects future property owners from potential liability associated with owning a former federally funded cleanup site.

The \$5 million will be used by the MMCIC, the local community reuse organization responsible for Mound's redevelopment, to make physical improvements to the site. The DOE announced the eventual closing of the Mound facility in December 1991. Since that announcement, the contractor work force at the site has been reduced by 59 percent. The \$5 million will be the first of three equal installments paid to the MMCIC. The remaining \$10 million is contingent upon Congressional approval and upon the MMCIC securing matching funds from State and local governments and private industry.

This funding will allow the capital improvements necessary to make the site a marketable, commercial entity once the deed is signed and the first parcel has been transferred.

FUNDING ANNOUNCED FOR DEVELOPMENT OF A LOS ALAMOS RESEARCH PARK

On March 30, 1999, the Secretary of Energy announced a \$1 million grant to stimulate development of the Los Alamos Research Park in New Mexico. The facility will seek to attract high tech businesses which could benefit by using the strengths of the Department of Energy's Los Alamos National Laboratory (LANL) work force skills and technology bases. Additionally, the research park will assist the region in diversifying its economy.

"In this post-Cold War era, this grant is another step in the process of ensuring that northern New Mexico and New Mexicans continue to benefit from the resources of the Los Alamos National Laboratory," said Secretary Richardson. "It will be another opportunity for area residents to showcase their skills and improve their quality of life."

The grant will be coordinated for the Department of Energy by the Regional Development Corporation (RDC), the local community reuse organization. The RDC provides regional representation in the administration of grants available to communities adversely affected by downsizing, privatization or closing of DOE defense-related activities at sites around the country.

The Los Alamos grant will be leveraged with private financing to secure resources needed to start construction of the first building at the park. The business development strategy relies on a relationship marketing approach that collaborates closely with LANL, with economic development entities in New Mexico and with other business/industrial park developments in the region. Once funding is raised, a full-service technology incubator will be established to support entrepreneurial spin-off of technologies developed by the laboratory and research park.



LABOR RELATIONS

HANFORD ATOMIC METAL TRADES CONTRACT NEGOTIATIONS

Negotiations throughout March, 1999 culminated in the ratification of a contract between Hanford Atomic Metal Trades (HAMTC), Fluor Daniel Hanford, Bechtel Hanford, Inc., and the Pacific Northwest National Laboratory on April 8, 1999. With this ratification, the three companies' contractual relationship with HAMTC extends to March 31, 2002.

BECHTEL HANFORD INC. AND HANFORD ATOMIC METAL TRADES ALLIANCE

The Joint Ownership Brings Success (JOBS) Alliance is a partnership program between HAMTC and Bechtel Hanford, Inc. and the Thermo Hanford, Inc. management. In July of 1998, HAMTC approved the Alliance, a program designed to enhance the partnership between labor and management. Among other items, the key elements of the Alliance includes a zero accident philosophy, continuous improvement, sharing for success, community goodwill, and improving labor/management relationships. Since its inception, the program has resulted in significant improvement in safety, increased number of worker groups that have resolved issues of mutual interest through consensus decision making, and a reduction of grievances filed by workers. Last year, members filed 72 grievances while this year, to-date, five grievances have been filed.

REQUEST FOR PUBLIC DOCUMENT(S)

Name: _____

Organization: _____

Position: _____

Street address: _____

City and state: _____

Zip code: _____

Phone: _____

Fax: _____

E-mail/Internet address: _____

DOCUMENT REQUESTED

1. _____

2. _____

3. _____

4. _____

5. _____

* * * * *

FAX OR MAIL TO:

Ms. Laurel Smith
Office of Worker and community Transition, WT-1
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585
(202) 586-1540 (FAX)

Ms. Laurel Smith
Office of Worker and community Transition, WT-1
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585
(202) 586-1540 (FAX)